GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1566
ANSWERED ON:09.03.2017
Financial Performance of Air India
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Union Government is considering inducting banks as strategic investors in Air India, if so, the details thereof;

(b) whether the Union Government is considering privatization of Air India and if so, the details thereof;

(c) the asset value of Air India as on date and the loss incurred by it during the last three years, year-wise;

(d) the steps taken to cut losses and make a turn-around in the financial performance of Air India;

(e) whether the Government has set up an oversight committee to monitor the progress of Air India in respect of achievements of the milestones set by the Government for release of equity under turnaround plan, if so, the details thereof;

(f) whether the Committee/ Government has reviewed the overall performance of Air India and if so, the details and the outcome thereof along with the achievements of Air India during the last three years, year-wise; and

(g) whether the Directorate General of Civil Aviation and other concerned departments have cancelled the licence of the Senior pilots and officers of Air India and if so, the details thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a) and (b): No, Madam.;

(c): The total Gross Assets Block and the Net Loss of Air India as per the audited accounts of the last three years are given at Annexure. A;

(d): Post merger of erstwhile Air India and Indian Airlines, the merged entity, Air India Limited suffered huge losses for the years 2007-08 to 2010-11. Govt. took cognizance of the deteriorating financial position of Air India and directed it to come up with a Turn Around Plan (TAP) with the aim of improving the operational and financial performance of the company. Government had approved a Turnaround Plan (TAP) / Financial Restructuring Plan (FRP) for operational and financial turnaround of Air India. The TAP/FRP provides equity infusion of Rs.30231 crores upto 2021 subject to achievement of certain milestones as laid down in the TAP/FRP. The Company has made substantial progress in both Operational as well as Financial Areas as per TAP milestones. As a part of the Turnaround Strategy for Air India Ltd., the company with the overall support of the Govt. has initiated a number of steps in order to cut costs and losses.;

(e): An Oversight Committee has been set up under the Chairmanship of Secretary, Ministry of Civil Aviation with Expenditure Secretary, Additional Secretary and Financial Adviser, Ministry of Civil Aviation, Joint Secretary of Ministry of Civil Aviation and State Bank of India (SBI) Caps as members, to monitor the Operational and Financial Performance of Air India vis-a-vis the milestones set. Regular meetings of the Oversight Committee are held every three months. So far, sixteen meetings of Oversight Committee have been held. Till date equity of Rs. 24723.74 crores has been infused by the Government into Air India.;

(f): Yes, Madam. Air India has been constantly improving its overall operational and financial performance. The company has posted an Operating Profit of Rs 105 crores in FY 2015-16 thus advancing the TAP targets by two years.
The details of operational and financial performance during the last three years , year wise is attached as Annexure B.;

(g); Yes, Madam. Directorate General of Civil Aviation (DGCA) has cancelled the license of Capt. Ajay Khadtale ATPL No. 3619 on 04.01.2016.